



IRISH LIFE WEEKLY INVESTMENT BULLETIN

The week that was – WEEK 10 (ending 04/03/2016)

"Everybody knows politics is a contact sport." – Barack Obama

Irish unemployment rate falls to 8.8% in February – According to the latest figures from the Central Statistics Office (CSO), the unemployment rate fell to 8.8% in February compared to 8.9% in January and 10.0% in February 2015. The number of people signing on the Live Register was down 0.8% last month.

Irish year to date tax receipts 7.1% higher than 2015 – Exchequer figures show that Revenue collected €7.2 billion by the end of February this year, €478 million or 7.1% more than in the same two months last year. Income tax receipts were €3.1 billion to the end of February, representing a year-on-year increase of 8.7%.

Global stock markets up 3.5% during the week – Markets moved higher during the week with the MSCI World Index up 3.5% from 29th February to 4th March, adding to the gains from the previous week. Markets responded to much better news on the jobs front in the U.S. and prospects of extended QE in the Eurozone.

U.S. employment gains surprise reduces recession fears – The Labour Department reported that nonfarm payrolls increased by 242,000 jobs last month compared to a market consensus of a 195,000 gain. The markets took this as a sign of labour market strength and eased fears of a recession in the economy.

Eurozone dips into deflation territory in February – Headline inflation, the key indicator watched by the European Central Bank, fell to -0.2% in February from 0.3% in January, far from their target of close to 2%. This will encourage the ECB to extend its policy easing to spike up the economy in its meeting on March 10.

Gold enters bull market – Weakness in the U.S. dollar during the week helped Gold to close at its highest level of the year at \$1,273. This meant the precious metal officially entered a bull market having rallied over 20% since the December 2015 lows. This is the first time since 2011 that Gold has pushed into bull territory.

The Story of the week: Tom McClean, a former SAS trooper, hopes to sail the Atlantic to America in a 65ft home-made whale named Moby. He has spent £100,000 and 20 years attempting to get the vessel up to scratch. He has held records for solo rowing and yachting voyages across the Atlantic. The vessel is currently berthed on Loch Nevis.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 04/03)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-6.4
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	0.2
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-6.9
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	-1.7
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	-5.8
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-10.6
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	-0.6
MSCI World	-7.6	13.1	26.2	7.7	0.2	-3.9
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
US	1.9	1.7	3.0	2.2	2.2	1.9
German	1.8	1.4	1.9	0.5	0.6	0.2
UK	2.0	1.9	3.0	1.9	1.9	1.5
Japan	1.0	0.7	0.7	0.3	0.2	-0.1
Ireland	8.4	4.5	3.4	1.3	1.1	1.0
Italy	7.1	4.6	4.1	2.1	1.6	1.4
Greece	31.7	12.7	8.2	9.6	7.9	9.5
Portugal	13.4	6.9	6.1	2.7	2.5	3.0
Spain	5.1	5.4	4.1	1.6	1.7	1.5
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.05
Bank of England	0.5	0.5	0.25	0.50	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.10
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.77
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.41
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015
Ireland	-2.4	-2.4	3.1	12.7	40.1	25.0 (to end of Q4)
UK	14.5	8.1	2.7	10.7	17.8	13.8 (to end of Q4)
US	14.8	14.5	5.3	11.4	11.2	7.9 (to end of Q3)

*Past performance is not a reliable guide to future performance